



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch
Jon Cicirelli

SUBJECT: See Below

DATE: February 13, 2026

Approved

Date:

2/24/26

COUNCIL DISTRICT: 8

SUBJECT: Actions Related to the 10304 – Welch Park Restrooms Renovation Project

RECOMMENDATION

Approve an increase to the construction contingency for the 10304 – Welch Park Restrooms Renovation Project from 15% to 33%, in the amount of \$29,998, resulting in a new contingency amount of \$55,348.

SUMMARY AND OUTCOME

Approval of a contingency increase of \$29,998 will provide the necessary funds to proceed with issuing change orders to the contractor to complete the unanticipated work encountered over the past four months of construction. It will also ensure there are sufficient remaining contingency funds for the proper construction or completion of the 10304 – Welch Park Restrooms Renovation Project (Project).

BACKGROUND

On May 7, 2025, the Director of Public Works awarded the construction contract to Bosco Construction Services, Inc. in the amount of \$169,000 with a 15% contingency in the amount of \$25,350. On August 7, 2025, a notice to proceed with construction was issued to Bosco Construction Services, Inc. The Project is located inside Welch Park at Clarice Drive and Kenesta Way in San José. (Attachment – Location Map – 10304 - Welch Park Restrooms Renovation Project).

The scope of the Project includes approximately 1,100 square feet of work, consisting of the conversion of the existing multi-stall men’s and women’s restrooms into two single-use, all-gender restrooms. The Project also includes upgrades to finishes, fixtures,

accessories, and mechanical, electrical, and plumbing systems. The existing men’s restroom entrance will be infilled, and a new entrance will be constructed to provide direct access from within the classroom. Additional improvements include new tactile signage and the installation of new soap and paper towel dispensers at the sink area located within the neighborhood center.

The Project is currently in construction with an anticipated completion in April 2026.

ANALYSIS

San José Municipal Code Section 27.04.050 provides for a standard contingency of 10% on Public Works contracts except those involving the renovation of a building or buildings, which allows for a 15% contingency. To address the unforeseen conditions encountered during demolition, under this memorandum request, staff recommends increasing the contingency from \$25,350 to \$55,348, which is 33% of the approved contract amount.

The additional contingency amount of \$29,998 is necessary to approve the five pending contract change orders identified below, totaling \$39,372.

1. Hygienist mold testing and report	\$1,995
2. Video survey existing sewage main	\$724
3. Build out new plumbing chase	\$16,120
4. Remove and replace subgrade sewer main	\$14,033
5. Extended equipment rental – three months	\$6,500
Total	\$39,372
Approved Contingency Amount	25,350
Remaining Balance	(\$14,022)

- 1) The current contingency amount is not sufficient to approve all five change orders needed for the completion of the Project, leaving the Project in need of an additional \$14,022. By increasing the contingency by \$29,998, this will provide sufficient funds to ensure the five pending change orders needed to complete the Project are executed, as well as \$15,976 remaining for any future unforeseen issues, should they arise prior to completion of the Project.

Approved Contingency Amount	\$25,350
Additional Contingency Amount	29,998
Pending Change Orders Total	(39,372)
Remaining Contingency Balance	\$15,976

Any unused contingency funds will remain within the Project’s funding source.

EVALUATION AND FOLLOW-UP

No additional follow up action with City Council is expected at this time.

COST SUMMARY/IMPLICATIONS

The recommended contingency increase of \$29,998 is funded by the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District 8. This increase will support the unanticipated additional change order cost of \$14,022 and any other unanticipated costs to complete the Project, which is anticipated to be completed by spring 2026. There will be no additional operations and maintenance costs as a result of this City Council action.

1. TOTAL COST OF PROJECT:

Project Delivery*	\$268,054
Construction	169,000
Contingency	25,350
Additional Contingency	29,998
Total Project Costs	\$492,402
Prior Year Expenditure and Encumbrances	\$125,138
TOTAL REMAINING PROJECT COSTS	\$367,264

*Project delivery includes \$123,054 for design services, bidding, and \$145,000 for construction management and inspection services.

BUDGET REFERENCE

The table below identifies the fund and appropriation to fund the recommendation a part of this memorandum and remaining Project costs, such as the additional contingency amount.

Fund #	Appn. #	Appropriation Name	Total Appropriation	Amount for Contract	2025-2027 Adopted Biennial Capital Budget Page	Last Budget Action (Date, Ord. No.)
386	430C	Welch Park and Neighborhood Center Restroom Upgrades	\$375,000	N/A	487	10/21/25 31252

HONORABLE MAYOR AND CITY COUNCIL

February 13, 2026

Subject: Actions Related to the 10304 – Welch Park Restrooms Renovation Project

Page 4

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, Parks, Recreation, and Neighborhood Services Department and Planning, Building, and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City's Council Agenda website for the March 10, 2026 City Council meeting.

COMMISSION RECOMMENDATION AND INPUT

No commission recommendation or input is associated with this action.

CEQA

Categorically Exempt, File No. ER24-290, CEQA Guidelines Section 15301. Existing Facilities.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

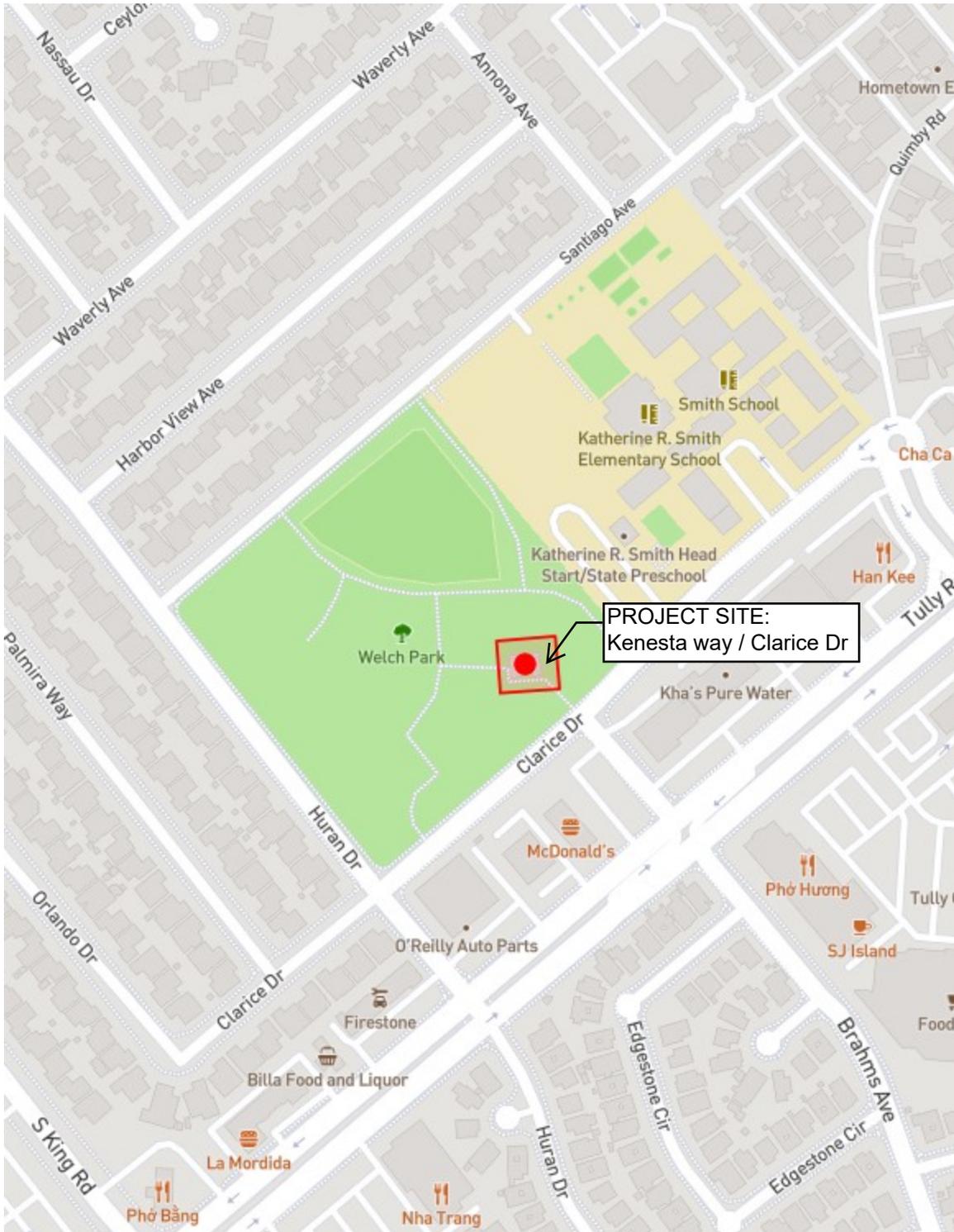
/s/
MATT LOESCH
Director of Public Works

/s/
JON CICIRELLI
Director of Parks, Recreation,
and Neighborhood Services

For questions, please contact Sal Kumar, Deputy Director of Public Works, Public Works Department at Sal.Kumar@sanjoseca.gov.

ATTACHMENT: Location Map – 10304 - Welch Park Restrooms Renovation Project

Attachment Location Map



10304 - Welch Park Restrooms Renovation Project

NOT TO SCALE

